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ACCOMMODATION TAX IN THE ALGARVE

“The Accommodation Tax is enforced in various municipalities across the country and involves charging a fee to non-residents staying in these municipalities. The fee is based on the number of nights spent in tourist accommodations and local lodging establishments.”

In 2024, Albufeira, Portimão, and Lagoa will start charging an accommodation tax for overnight stays, joining other Algarve municipalities such as Faro, Olhão, and Vila Real de Santo António, where this measure is already in place.

The Accommodation Tax is enforced in various municipalities across the country and involves charging a fee to non-residents staying in these municipalities. The fee is based on the number of nights spent in tourist accommodations and local lodging establishments.

The tax applies for up to 7 (seven) consecutive nights of paid stays in tourist accommodations, local lodging establishments, campsites, and caravan parks, regardless of the booking method (in-person or digital).

The creation of the Accommodation Tax is approved by regulations issued by each local council. The tax amount, collection method, and applicable exemptions vary from municipality to municipality, in accordance with the General Regime of Local Authority Taxes and other applicable legislation.

In the municipalities of Albufeira, Lagoa, Portimão, and Olhão, a fee of €2,00 is charged during the high season (from 1 st April to 31 st October) and €1,00 during the low season (1 st November to 31 st March). The municipality of Faro charges €1,50 per overnight stay throughout the year, while Vila Real de Santo António charges €1,00, except in campsites, caravan parks, and motorhome service areas, where the fee is €0,50.

AUTHORS



MÁRCIA FARIAS
Lawyer



MARTA VERA-CRUZ
Trainee

Exemptions to the accommodation tax include guests whose stay is for medical treatments and, in some cases, national and foreign students attending the University of Algarve. In most of these municipalities, children under 13 are exempt. In Olhão, the exemption applies up to 16 years old, and in Vila Real de Santo António, up to 10 years old, with a 50% reduction for children aged 11 to 13.

The submission of the declaration concerning the Accommodation Tax received is carried out by tourist establishments or local lodging units via e-mail, or an electronic platform, depending on the municipality. The Accommodation Tax is not subject to VAT.

The accommodation tax generates a revenue for the Municipalities in Portugal, which is used to improve municipal infrastructure and promote tourism.

